

**COOK, YANCEY, KING & GALLOWAY**

**A PROFESSIONAL LAW CORPORATION**

**333 TEXAS STREET, SUITE 1700**

**POST OFFICE BOX 22260**

**SHREVEPORT, LOUISIANA 71120-2260**

**www.cykg.com**

**J. William Fleming**

**Writer's Direct  
(318) 227-7724  
fleming@cykg.com**

**January 24, 2006**

**TELEPHONE (318) 221-6277**

**TELECOPIER (318) 227-7850**

When calling relative to this  
matter, refer to file No. 1342

Honorable James H. Welsh  
Commissioner of Conservation  
Office of Conservation  
P. O. Box 94275  
Baton Rouge, Louisiana 70804-9275

**Re: Hosston Formation, Reservoir A  
Cotton Valley Formation, Reservoir A  
Caspiana Field  
DeSoto Parish, Louisiana**

**APPLICATION FOR PUBLIC HEARING**

Dear Sir:

KCS Resources, Inc. hereby makes application pursuant to the revised rules of procedure for a public hearing to consider evidence relating to the following matters pertaining to the Hosston Formation, Reservoir A, and the Cotton Valley Formation, Reservoir A, in the Caspiana Field, DeSoto Parish, Louisiana:

1. To authorize KCS Resources, Inc. to drill, complete and utilize two additional alternate unit wells on each of HOSS RA SUU and CV RA SUU at the locations in Section 35-T15N-R13W, DeSoto Parish, Louisiana, as shown on the attached plats;
2. To authorize KCS Resources, Inc. to drill, complete and utilize and one additional alternate unit well on each of HOSS RA SUV and CV RA SUV at the location in Section 36-T15N-R13W, DeSoto Parish, Louisiana, as shown on the attached plat;
3. To authorize KCS Resources, Inc. to drill, complete and utilize and two additional alternate unit wells on each of HOSS RA SU75 and CV RA SU69 at the locations in Section 1-T14N-R13W, DeSoto Parish, Louisiana, as shown on the attached plat;

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4. To approve the proposed alternate unit wells as exceptions, as necessary, to the well location provisions of Office of Conservation Order No. 191-B, as to the Hosston Formation, Reservoir A, and Office of Conservation Order No. 191-A, as to the Cotton Valley Formation, Reservoir A.
5. To find that each of the proposed alternate unit wells is necessary to efficiently and effectively drain a portion of the Hosston Formation, Reservoir A, and the Cotton Valley Formation, Reservoir A, underlying the respective units which cannot be efficiently and effectively drained by any other well;
6. To authorize the unit allowable for these Hosston Formation, Reservoir A, and Cotton Valley Formation, Reservoir A, units to be recovered from the any of the wells located on the units, at the discretion of the operator;
7. To confirm that it has been accomplished, or if not to authorize the downhole or well bore combination of production from the Hosston Formation, Reservoir A, and the Cotton Valley Formation, Reservoir A, in the wellbores of any existing or future well located on HOSS RA SUU and CV RA SUU, to the extent the ownership within said units is identical; and
8. To consider and cover such other matters as the Commissioner of Conservation may deem appropriate and necessary under the circumstances.

The Hosston Formation, Reservoir A, in the Caspiana Field, Caddo, DeSoto and Red River Parishes, Louisiana, was defined in Office of Conservation Order No. 191-B, effective April 15, 1975.

The Cotton Valley Formation, Reservoir A, in the Caspiana Field, Caddo, DeSoto and Red River Parishes, Louisiana, was defined in Office of Conservation Order No. 191-A, effective February 15, 1975; and was further defined in Office of Conservation Order No. 191-A-5, effective February 22, 1983.

The subject matter of this application does not require the issuance of a Pre-Application Notice.

Office of Conservation Order No. 191-A-26 and Order No. 191-B-19, effective July 30, 1996, addressed the downhole combination of production from the Hosston Formation, Reservoir A, and the Cotton Valley Formation, Reservoir A, underlying HOSS RA SUU and CV RA SUU. These orders set up a protocol for downhole combination of production from these units which contemplates the submission of additional data and the issuance of a supplemental order specifically authorizing downhole combination. It is understood that the established practice of the Office of

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Conservation is that once such protocol has been followed for an initial well on these units that production from future wells on said units can be downhole combined by only the issuance of a work permit. The Applicant wishes to clarify the position of the Office of Conservation in this regard or if necessary secure an amendment to the above referenced orders so that downhole combination may be accomplished as to HOSS RA SUU and CV RA SUU without the submission of additional data on each occasion and the issuance of supplemental orders.

Any pertinent data relating to this matter can be obtained at the cost of the requesting party, from Mr. Ron Tuminello, 416 Travis Street, Suite 804, Shreveport, Louisiana 71101, at telephone number (318) 425-4789.

The list attached to the copy of this letter being sent to the Commissioner of Conservation and to the District Manager of the Shreveport District of the Office of Conservation includes the names of all Interested Owners, Represented Parties and Interested Parties known to Applicant after a diligent search. A copy of this application, with plats attached, is being sent to each such party. Pursuant to Office of Conservation regulations, such list of parties is being furnished only to the Commissioner of Conservation and to the District Manager of the Shreveport District of the Office of Conservation; however, the list of parties will be provided to any person requesting a copy of it. Also enclosed are the application fees.

Yours very truly,

COOK, YANCEY, KING & GALLOWAY

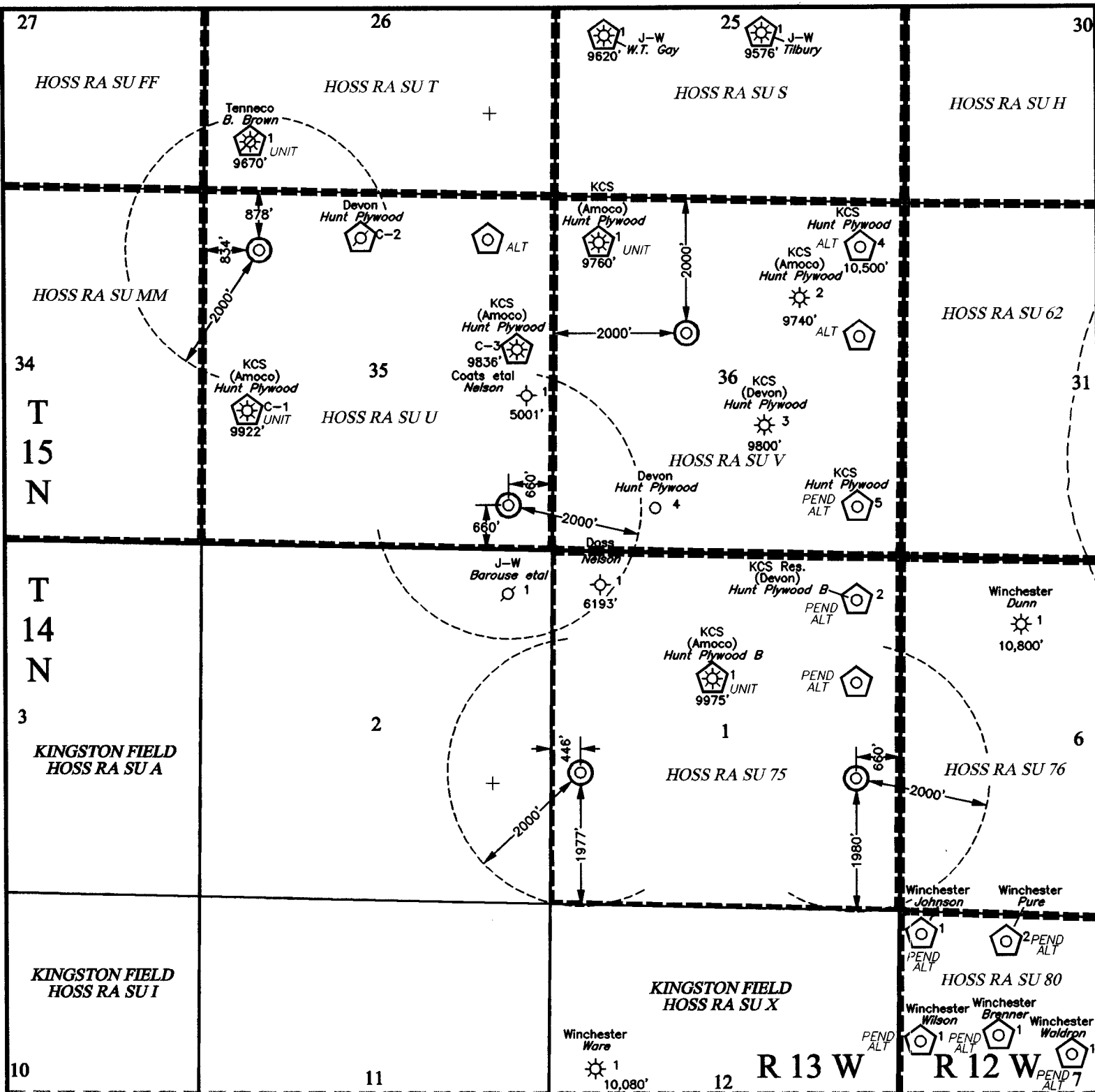


J. William Fleming

jwf:s

Enclosures

cc: James C. Broussard, District Manager  
Interested Owners, Represented  
Parties and Interested Parties  
Mr. Craig Barclay  
Mr. Ron Tuminello

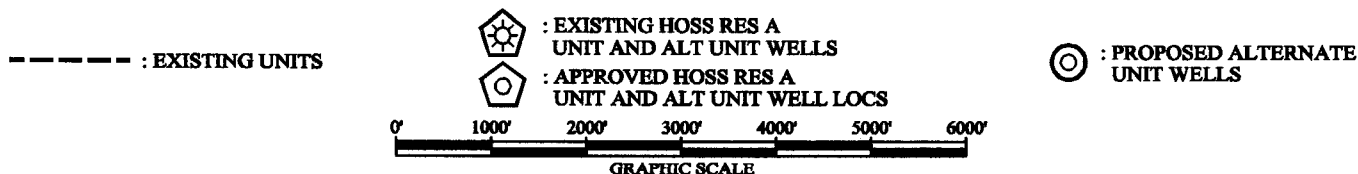


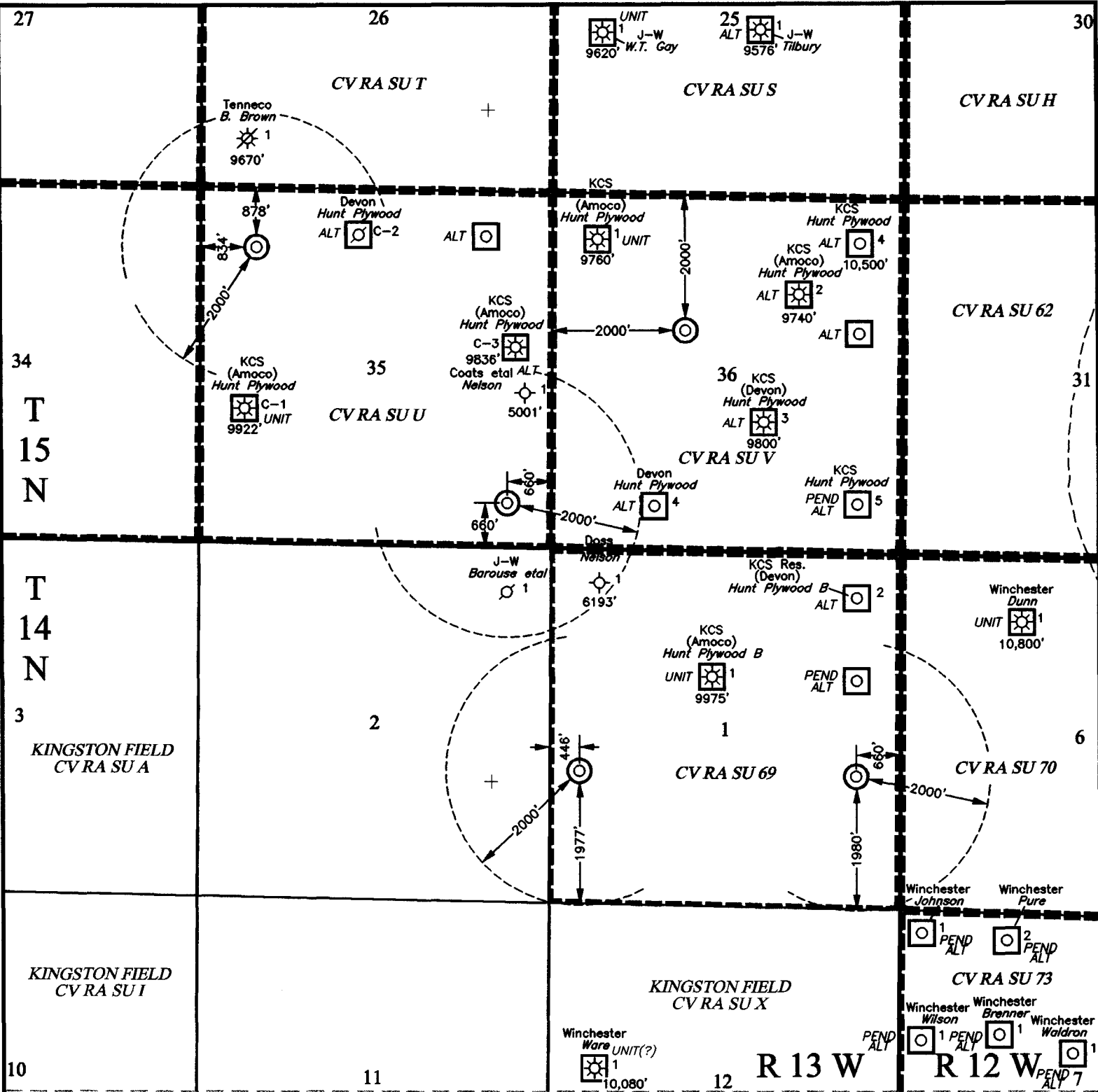
**KCS RESOURCES, INC.**  
TULSA, OKLAHOMA

## CASPIANA FIELD

DeSOTO PARISH, LOUISIANA

**PROPOSED ALTERNATE UNIT WELL AND  
ALTERNATE UNIT WELLS AT EXCEPTIONAL LOCATION FOR  
HOSS RA SU 75, HOSS RA SU U, & HOSS RA SU V**

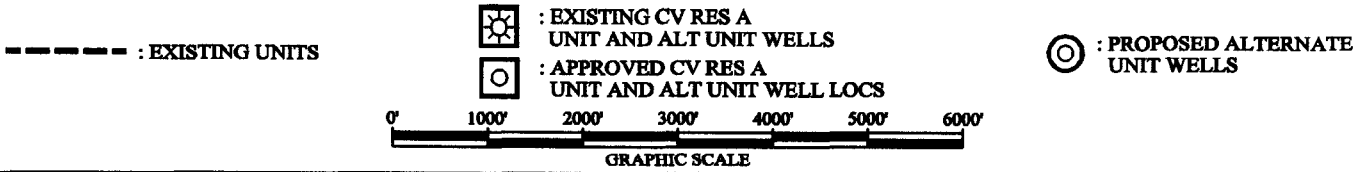




**KCS RESOURCES, INC.**  
TULSA, OKLAHOMA

**CASPIANA FIELD**  
DeSOTO PARISH, LOUISIANA

**PROPOSED ALTERNATE UNIT WELL AND  
ALTERNATE UNIT WELLS AT EXCEPTIONAL LOCATION FOR  
CV RA SU 69, CV RA SU U, & CV RA SU V**



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